



Bulletin

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February 2000

Chairman's Message

As we start a New Year, it is worth taking stock of what we accomplished in 1999. As with previous years, the bulk of our activities centered on responding to inquiries from the public. We answered approximately 46,000 telephone calls for help (5,600 in March alone); issued 268 written advice letters; and participated in some 75 training seminars. Our enforcement division opened 824 enforcement case files and assessed nearly \$1.3 million in fines and civil penalties for activities ranging from money laundering of campaign contributions to failing to file Statements of Economic Interest.

But in some ways, I am most proud of the new activities we undertook in 1999. We simplified our forms and consolidated many into our new Form 460. With the help of a targeted funding boost, we began a program that will train local filing officers in their duties under the Political Reform Act. We began a streamlined enforcement program for filers who have failed to file SEI reports that already has achieved remarkable success in getting speedy compliance. We also started a streamlined enforcement program to handle major donors who neglect to file separate major donor reports. The Commission once again began issuing written opinions on matters of significant public interest, reaching their decisions in an open, public meeting. And we also reinstated the process of formulating broad enforcement policies in our monthly open meetings.

The coming year will see us engaged in a number of significant new activities. This month, mandatory electronic filing begins for certain large statewide committees. As the program matures, additional groups will be required to file electronically. We are working closely with the Secretary of State's office to help ensure a smooth transition to e-filing. This month also saw the start of Phase II of our program to rewrite and simplify the conflict-of-interest rules applicable to local and state officials. As part of that program, we have significantly increased our public outreach efforts. I am happy to report that we are starting to see the results of those efforts, both in increased media attention and, more important, in increased direct input from the public. Finally, we soon will distribute for public comment entirely revised and revamped campaign manuals for candidates and committees.

I am happy to report that the FPPC commissioners (including our newest commissioner, Gordana Swanson, see story p.3) and staff are starting this year energized and committed to making this the best year ever at the FPPC. We welcome your input and your help throughout the coming year.

A handwritten signature in cursive script that reads "Karen Getman".

Karen Getman, Chairman

Future Commission Meeting Dates

The Commission meeting dates for the rest of this year will be:

February 4	July 7
March 3	August 11
April 7	September 8
May 5	October 6
June 2	November 3
	December 8

Generally, Commission meetings begin at 9:30 a.m.

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Bulletin Subscription!
See Back Page***



California Fair Political Practices Commission

Karen A. Getman, Chairman
William Deaver, Commissioner
Kathleen Makel, Commissioner
Carol Scott, Commissioner
Gordana Swanson, Commissioner

Commission Meetings

Meetings are regularly scheduled for the first Friday of each month at 9:30 a.m. in the Commission Hearing Room, 428 J Street, 8th Floor, Sacramento. Please contact the Commission to confirm meeting dates.

Pursuant to Section 11125 of the Bagley-Keene Open Meeting Act, the FPPC is required to give notice of its meetings ten (10) days in advance of the meeting. In order to allow time for inclusion in the meeting agenda and reproduction, all Stipulation, Order, and Decision materials must be received by the FPPC no later than three (3) business days prior to the ten day notice date.

To receive a copy of the Commission meeting agenda (free) or a copy of the full meeting packet (\$10/month or \$100/year) contact the Commission at (916) 322-5660. The agenda and packet are also available through the Commission's Fax-On-Demand service at 1-888-622-1151, index number 7000. Additionally, past and future agendas are posted on the website at www.fppc.ca.gov.

Governor Davis Appoints Gordana Swanson to Fair Political Practices Commission

In December, Governor Gray Davis appointed Gordana Swanson as the fifth member of the Fair Political Practices Commission.

Swanson, 64, was elected to four terms on the Rolling Hills City Council from 1976-1994, and served three times as that city's mayor. She was also president of the Southern California Rapid Transit District from 1988-90 and served as director of the American Public Transit Foundation from 1989-90 and of the South Bay Juvenile Diversion Project from 1976-94. Since 1997, she has been director of development for the Toberman Settlement House, a non-profit human services organization. From 1992-97, she was senior policy advisor for Five Star Legal and Compliance Systems, Inc.

Active in numerous community and women's organizations, she was the founding president and is a current member of the National Women's Political Caucus for the South Bay and has been a member of the Planned Parenthood Advocacy Project's board of directors since 1997. She has also served on the board of directors of the California Elected Women's Association for Education and Research (CEWAER), of which she was a longtime member. Among her many awards, she was named Distinguished Citizen of the Year by the Palos Verdes Chamber of Commerce and Citizen of the Year by the Palos Verdes Peninsula Rotary Club. She attended De Paul University in Chicago, Illinois.

"We are delighted with the appointment of Gordana Swanson and with the fact that she has strong local government experience," Chairman Karen Getman said. "Her appointment brings the Commission to its full complement of members."

2000 Political Reform Act Available

The Political Reform Act will be available by March 1, 2000. The publication is a reprint of Government Code Sections 81000-91015 as amended to January 1, 2000.

Also included in this publication are brief histories of amended sections and a listing of applicable regulations, opinions and enforcement decisions. These annotations are provided for information and are not part of the Act.

You may request a copy of the Act at a cost of \$10 per copy* by completing the order form located in the back of this Bulletin. Please send your check and order form to:

Fair Political Practices Commission
428 J Street, Ste. 450
Sacramento, CA 95814

*All government agencies are entitled to one complimentary copy.

FPPC Celebrates 25th Anniversary

The Fair Political Practices Commission celebrated the 25th anniversary of the Political Reform Act November 5, 1999, at the Capitol Plaza Holiday Inn, with a luncheon and seminar — “25 years of Political Reform...looking back and ahead.”

At the start of the luncheon, attended by more than 200, FPPC Chairman Karen Getman recognized five longtime employees — Bob Tribe, Daniel Martinez, Mary Ann Kvasager, Al Herndon, and Carla Wardlow — as “the people without whom we could not possibly have survived over the past 25 years, our secret gems.” She was assisted in the presentations by Tony Miller, a member of the original Commission. Getman offered brief descriptions of their tenure with the agency:

- ❖ Executive Director **Bob Tribe** came to the FPPC at its inception in 1975 to start the Administration Division and since then has “been a pillar of strength,” Getman said, adding that Tribe plans to retire in March (see story page 6). “The Commission will never be the same without him,” she said.
- ❖ Technical Assistance Division Chief **Carla Wardlow** began her career with the Commission as executive assistant to Daniel Lowenstein, first chairman of the FPPC.



From left: Tony Miller, Mary Ann Kvasager, Daniel Martinez, Al Herndon, Carla Wardlow, and Robert Tribe.

Since then she has advanced to head the Technical Assistance Division. “We at the Commission and the people of this state are deeply indebted to Carla and her team,” Getman said.

- ❖ **Mary Ann Kvasager** is a part of that team, and it is estimated that she has provided advice to more than 80,000 people since she began working in the division. Getman described Kvasager as “kind, patient, thorough, accurate, and fair, as she and her co-workers bend over backwards to make sure the people of this state are given every possible assistance to comply with the Act.”
- ❖ **Daniel Martinez** has been the FPPC’s printing specialist since 1975 — “the one-man show responsible for reproducing the mountain of paper work we bury you with every day,” Getman said. “For those of us who work with him, Danny has always been there to help.”
- ❖ **Al Herndon** is the Commission’s chief investigator and, Getman said, “has been an integral part of the Enforcement Division team” for nearly 25 years. “We value his counsel, guidance, and his vast historical knowledge.”

Each award recipient received a resolution and an engraved trophy.

The luncheon and seminar, held after a regular monthly Commission meeting, featured two panels of speakers who examined the history of the Political Reform Act which established the FPPC in 1974, and discussed the future of campaign reform and campaign finance in the age of the Internet.

Continued on next page

25th Anniversary — Continued

In a keynote dialogue on the history of the PRA, moderated by Getman, speakers were McClatchy Newspapers Political Editor **John Jacobs** and political consultant and columnist **Dan Schnur**, communications director for the John McCain for President Campaign. “The Act has performed a tremendous service, and increased public confidence in the system,” Schnur said, “but so much has happened over the past 25 years. I think you have to reasonably ask, ‘What’s the next step?’ ”

Jacobs said “absolutely and unequivocally,” since passage of the Act, “the system is better.” As a result, he said, the public knows “who is contributing money, how much is being contributed and how it is being spent.”

Both said campaign contributions and spending have become excessive as well as commonplace. “As important as disclosure is, disclosure doesn’t mean anything unless it is followed by public outrage,” Schnur said. Jacobs urged that “regulations [be] streamlined and made more comprehensive” to increase public confidence in the political system.

Speakers on the second panel — “The Future of Political Reform and Campaign Finance in the Age of the Internet” — were **A.G. Block**, executive editor of the *California Journal* and *State Net Publications*; **Mark Paul**, *Sacramento Bee* deputy editorial page editor and editor of the paper’s *Sunday Forum* section; **Kim Alexander**, California Voter Foundation president; political consultant **Gale Kaufman**, president of Kaufman Campaign Consultants and a senior adviser to the Bill Bradley for President campaign; political consultant and columnist **Jeff Raimundo**, a partner in Townsend Raimundo Besler & Usher, and **Anthony York**, *Salon Magazine* political writer. Some excerpts from their comments:

❖ Block: “The Internet “fosters a culture based on speed, a culture that elevates instant gratification.”

- ❖ Kaufman: “Today you cannot run a political campaign and not have a web page.”
- ❖ Alexander: “People can put up a web site and have power,” as the Internet helps to make it affordable for people to get their message out to the voters.
- ❖ Raimundo: “The Internet levels the playing field, and therefore we should tread very carefully on how we try to regulate it.”
- ❖ Paul: The Internet “offers a new opportunity to voters on the issue of disclosure,” giving the public instant access to campaign contributions and spending. He called the Internet “the perfect paradigm of campaign reform.”
- ❖ York: “The central question to political reform is still one of access and information, and we’re not there yet. But it’s coming.”

Editor’s Note: An edited transcript of the seminar is being prepared and can be obtained by contacting FPPC media assistant Katie Trueworthy at (916) 322-7761.



From left: Karen Getman, Kim Alexander, Bill Deaver, and Tony Miller

25-year FPPC Veteran Tribe Announces Retirement

Fair Political Practices Commission Executive Director Robert “Bob” Tribe has announced his retirement in March 2000 after nearly 25 years with the FPPC.

Tribe recalled the early years of the Commission, which was established by the Political Reform Act of 1974, as “the most memorable” of his long tenure. “Developing the first budget from scratch, reviewing more than 1,200 attorney applications for 12 vacancies, creating job classifications unique to the Commission — the task of building an agency from the ground up was challenging, exciting and rewarding.” And, he added, “the hours were long.”

Tribe has served as FPPC Executive Director since 1995, and prior to that time was Chief Deputy Director from 1991-95 and Commission Administrator from 1975-91. He first went to work for the State of California in 1969 as a consultant with the state Office of Criminal Justice Planning. From 1966-69, he was in the U.S. Army Special Forces (more commonly known as the Green Berets). A native of Utah, he is a graduate of California State University, San Francisco, where he received a Bachelor’s degree in criminology. He earned a Master’s degree in Public Administration from Golden Gate University.

Commission Chairman Karen Getman emphasized that Tribe is not leaving the agency when he retires “because we simply refuse to let him go.” (See employee awards story on page 4.) He will return on a part-time basis to head the agency’s Administrative Services Division, freeing current division chief Curt Cadwallader to devote full-time to the growing demands of his role as head of Information Technology for the Commission.

Tribe says he plans to spend more time with his family and pursue his longtime avocation in the outdoors — leading wilderness hikes, mountain-biking, backpacking, and “bagging peaks” (91, at last count). “When you get to the top,” he explained, “there is a summit register where you put your name. I like to sign in for someone who has died or is seriously ill.” Tribe recently climbed several peaks in the Sierra Nevada in honor of Yosemite National Park naturalist Joie Armstrong, a friend who was murdered in Yosemite.

**A retirement dinner for Tribe will be held March 2.
For further information, contact Colleen McGee at
916-322-8241.**

November Commission Meeting Summary

2000 Rulemaking Calendar Adopted *Fontana* Opinion Discussed

The proposed rulemaking calendar for 2000 was discussed by the Commission at its November meeting. The proposed calendar was approved taking into consideration that if the “Unz/Miller” initiative passes in March, revision to the rulemaking calendar would be necessary.

The Commission also considered a request from the Los Angeles Ethics Commission to reconsider its advice under the *Fontana* Opinion. Various groups have raised and spent money in support of a movement to separate San Fernando Valley from the City of Los Angeles. The process involves circulating petitions, obtaining approval from the Los Angeles Local Agency Formation Commission (“LAFCO”), and submitting the matter before the voters in the form of a ballot measure. The LAFCO process requires expenditures for the purpose of circulating petitions and initiation of studies and proposals. There was also a public relations campaign targeting voters and the community at large.

Under the *Fontana* Opinion secession groups have no campaign reporting obligations because LAFCO has not approved the proposal, and expenditures made to lobby LAFCO in that regard are not reportable. Staff was directed to study the issue further and present possible alternatives at the January meeting.

The Commission took action in the following enforcement matters:

Cecilia Larios, Larios for City Council, and Javier Murillo were fined \$1,500 for failing to timely file a semi-annual campaign statement for the period ending December 31, 1997. Ms. Larios was a successful candidate for Perris City Council in November 1997.

Karl E. Gaytan, Committee to Re-Elect Karl E. Gaytan for Mayor, and Frank A. Ibarra were fined \$1,000 for failing to timely file one pre-election statement and two semi-annual campaign statements in connection with Gaytan’s successful bid for Mayor of Colton. In addition to the administrative fine, respondents paid \$3,030 in late penalties to the City of Colton.

Ann Cornelius, Provost of the Eleanor Roosevelt College at the University of California in San Diego, was fined \$500 for failing to timely file her annual Statement of Economic Interests by April 1, 1999.

Scott Dowds, a member of the City of Fullerton’s Project Area Committee, was fined \$250 for failing to timely file his annual Statement of Economic Interests by April 1, 1999.

January Commission Meeting Summary

***Fontana* Opinion Discussion Continues/Conflict of Interest Improvement Project Moves Forward**

The Commission received a memorandum from staff regarding the research into the reconsideration of the *Fontana* Opinion. Staff advised the Commission that a full discussion will be held at its March meeting after staff has had an opportunity to meet with representatives from affected groups and has had an opportunity to review a report to be issued January 20 by the Commission on Local Governance for the 21st Century.

The Commission also approved the noticing of several conflict of interest regulations as the improvement project moves forward through the year. Regulations approved for notice and scheduled to be adopted at the March meeting were:

- Repeal and re-enact regulation 18705.1, the materiality standard for business entities;
- Amend regulation 18703.5 which defines personal financial effect;
- Amend regulation 18705.5, the materiality standard for personal financial effect;
- Amend regulation 18705(c)(1), special rules for determining whether a financial effect is material;
- Adopt regulation 18232, the definition of “income”;
- Amend regulation 18705.3(b)(2), the materiality standard for persons who are sources of income.

The Commission also approved for noticing an amendment to regulation 18427.1 the required notification to contributors of \$5,000 or more.

Copies of the proposed regulations may be obtained by visiting the FPPC fax-on-demand service.

The Commission took action in the following enforcement matters:

William M. Shubin, Martha Shubin, Sabor Environmental Services, Inc., d/b/a Thrifty Best Pumping Service, Central California Waste Paper, Inc., and Universal Plumbing and Drain Line Service, were fined \$70,000 for concealing the true source of campaign contributions, failing to file late contributions reports and failure to timely file major donor campaign statements.

William M. Shubin and Martha Shubin are Fresno residents who own Sabor Environmental Services, Inc., which does business as Thrifty Best Pumping Service, Central California Waste Paper, Inc., and Universal Plumbing and Drain Line Service. In 1994 and 1996, the Shubins and their companies reimbursed persons for making campaign contributions of \$32,230 to candidates for Fresno County Board of Supervisors. This chain of activity is referred to as “campaign money laundering” and deprives the voters of the true source of campaign contributions. Additionally, during the late contribution reporting period, the Shubins did not file late contribution reports for contributions made to the candidates during the last 16 days before the election. Finally, the Shubins and their companies failed to file major donor statements in 1994 and 1996.

On November 3, 1993, the County of Fresno filed a toxic tort lawsuit against Thrifty Best Pumping Service, the Shubins and other parties. Settlement of this lawsuit required approval of a majority of the Fresno County Board of Supervisors. On or about August 1, 1995, a stipulated judgment was reached in this case. In December of 1996, the Fresno County Board of Supervisors, without seeking bids, awarded a \$3.1 million recycling contract to Shubin Farms. The contract was later canceled.

January Commission Meeting Summary

Fresno Firefighters Legislative Action Group and Jack Coleman, Treasurer, were fined \$10,500 for failing to timely file seven semi-annual campaign statements from 1996 through 1999. During this period of time the committee received contributions totaling \$61,204 and made expenditures totaling \$52,892.

John Davis, City of Encinitas City Council Member, was fined \$6,000 in connection with his controlled committee, John Davis for City Council. In 1994, Davis received three cash contributions amounting to \$1,327.62 which is prohibited under the Act. Davis' personal funds comprised a significant part of the \$1,327.62. Additionally, Davis failed to accurately disclose information regarding various contributors on his pre-election and semi-annual campaign statements.

Shera Holmes, staff member for the California State Assembly Rules Committee, was fined \$4,000 for failing to timely file her 1997 and 1998 annual Statements of Economic Interests.

Richard K. Rainey, Rainey for Senate and Paula L. Miller, Treasurer, were fined \$2,000 for failing to timely file a late contribution report for an \$80,133 contribution received during the November 1996 general election from the Senate Republican Majority Fund.

Gary Gartner, former legislative assistant for Assemblyman Tom Torlakson, was fined \$1,250 for failing to timely file his 1997 and 1998 annual Statements of Economic Interests.

Michael Downs, an architect with the University of California, San Diego, was fined \$900 for failing to timely file an assuming office Statement of Economic Interests in February

1998 and an annual Statement of Economic Interests in April of 1999.

George Curley, an Associate Civil Engineer with the County of Sacramento, was fined \$600 for failing to timely file his 1997 annual Statement of Economic Interests.

Andrew Antwih, senior consultant for the California State Assembly, was fined \$500 for failing to timely file his 1998 annual Statement of Economic Interests.

Mike Rodriguez, member of the City of Madera's Civil Service Commission, was fined \$500 for failing to timely file his 1998 annual Statement of Economic Interests.

Scott Vydra, former field representative for Assemblyman Steve Baldwin, was fined \$500 for failing to timely file his 1997 annual Statement of Economic Interests.

Alexander MacBain, assistant consultant to the California State Senate, was fined \$300 for failing to timely file his assuming office Statement of Economic Interests in March of 1999.

Arturo Ramirez, planning commissioner for the City of Fowler, was fined \$300 for failing to timely file his 1998 annual Statement of Economic Interests.

Ching Sang, member of the Board of Governors of the Museum of Natural History in Los Angeles, was fined \$200 for failing to timely file her 1998 annual Statement of Economic Interests.

ETC...

Vendors for Electronic Filing Approved

The Secretary of State has approved vendors who have developed software for electronic filing. A list of approved vendors is provided on the next page. Note that some vendors do not provide all campaign and lobbying forms. Additionally, software programs differ from one vendor to the next.

Remember that beginning with the pre-election statements required to be filed in connection with the March 7, 2000, primary election, the following filers must file electronically if \$100,000 has been raised or spent from January 1, 1999, through the closing dates for the pre-election statements (January 22, 2000, and February 19, 2000), or June 30, 2000. Starting on July 1, 2000, the filing threshold drops to \$50,000 for the period beginning January 1, 2000. **Paper filings are required to be filed in addition to electronically-filed statements.**

- Elective state offices
- State ballot measure committees
- Committees supporting/opposing state candidates and measures
- State general purpose recipient committees
- State slate mailer organizations

Major donors and independent expenditure committees may also trigger electronic filing requirements during the late contribution reporting period if they trigger the thresholds indicated above for contributions and expenditures made beginning January 1, 2000.

Lobbying filers with reportable payments of \$100,000 must file electronically for the first quarterly statement in 2000. Effective July 1, 2000, the threshold drops to \$5,000.

Any filer may develop his or her own program using the file format specifications published on the Secretary of State's website. The program must be tested with and approved by the Secretary of State prior to filing any reports. Check the Secretary of State's website (www.ss.ca.gov/prd/prd.htm) or phone (916) 653-6224 for information about electronic filing and the certification process.

See list of approved vendors on next page.

Vendors for Electronic Filing — *Contd. from previous page*

- ❖ **Aristotle Publishing, Inc.**
205 Pennsylvania Avenue, SE
Washington, DC 20003
(202) 543-8345, ext. 942
2237 Union Street
San Francisco, CA 94123
(415) 440-1012
(800) 296-2747
www.aristotle.org
- ❖ **Durkee & Associates**
601 S. Glenoaks Blvd., Suite 208
Burbank, CA 91502
(818) 260-0669
- ❖ **California Society of Anesthesiologists**
Attn: Todd Wilson
1650 S. Amphlett Blvd., #212
San Mateo, CA 94402
(415) 861-6326
- ❖ **NetDisclosure**
49260 Chapel Hill Drive, Suite 100
Oakhurst, CA 93644
(559) 641-7288
- ❖ **Data + Imagination, Inc.**
11423 Moorpark Street
Studio City, CA 91602
(818) 985-6100
www.dataplus.com
- ❖ **Netfile**
49260 Chapel Hill Drive, Suite 100
Oakhurst, CA 93644
(559) 641-7288
www.netfile.net
- ❖ **DirectFile, Inc.**
P.O. Box 362
Fresno, CA 93708
(559) 266-3453
www.directfile.com
- ❖ **Olson, Hagel, Leidigh, Waters & Fishburn LLP**
(in-house use only)
555 Capitol Mall, Suite 1425
Sacramento, CA 95814
- ❖ **Target Corporation**
(in-house use only)
777 Nicollet Mall, 13th Floor
Minneapolis, MN 55402

Lobbying Issues

Mark Your Calendar...

Lobbying Ethics Orientation

Lobbyists are required to attend an ethics orientation course as a condition of certification. Lobbyists who registered to lobby during the 1997-1998 Regular Session of the Legislature were required to complete the ethics orientation course no later than June 30, 1999. New lobbyists must complete ethics orientation within 12 months of registration. Lobbyists who fail to comply with these deadlines are prohibited from acting as a lobbyist and may be subject to criminal penalties and substantial fines.

The Assembly Legislative Ethics Committee and the Senate Ethics Committee have scheduled the course for:

Who: All lobbyists who have not taken the course in the past 12 months. (The last course was offered November 17, 1999.)

When: Thursday, February 17, 2000

1:30 - 3:30 p.m.

(Sign-up deadline is February 11, 2000.)

Where: Legislative Office Building
1020 N Street, Room 100

Cost: \$10 per person (*Advance sign-up and payment are required.*)

Advance Sign-up:

Need a registration form? Have a question?

Contact:

Jeanie Myers
(916) 324-6929

Senate Committee on Legislative Ethics
Room 238, 1020 N Street
Sacramento, CA 95814

Dates to Remember!

Lobbying Reporting Calendar for 2000

Lobbyists, Lobbying Firms, Lobbyist Employers and persons who spend \$5,000 or more in a calendar quarter in lobbying activities must file quarterly lobbying reports by the following deadlines:

April 30, 2000*

(Reporting Period 1/1/00 - 3/31/00)

July 31, 2000

(Reporting Period 4/1/00 - 6/30/00)

October 31, 2000

(Reporting Period 7/1/00 - 9/30/00)

January 31, 2001

(Reporting period 10/1/00 - 12/31/00)

*April 30 is a Sunday. When a deadline lands on a Saturday, Sunday, or state holiday, the deadline for filing extends to the next regular business day.

The Form 700 Annual Statement of Economic Interests Filing Season is Here!

As we begin a new year, we also begin the new filing season for the annual Statements of Economic Interests (Form 700). Remember to make a copy of the following statements for your records and send the original to the Fair Political Practices Commission within five days of the deadline or five days of receiving a late filed statement.

Due March 1, 2000:

- Governor
- Lieutenant Governor
- Attorney General
- Insurance Commissioner
- Controller
- Secretary of State
- Treasurer
- Superintendent of Public Instruction
- Members of the State Assembly
- Members of the State Senate
- Judges and Court Commissioners; and

Members of the following Boards:

- State Board of Equalization
- Public Utilities Commission
- Energy Resources Conservation and Development Commission
- California Coastal Commission

Due April 1 2000 file by April 3, 2000:

(Deadlines which fall on a Saturday, Sunday or state holiday are moved to the next regular business day - April 1, 2000 is a Saturday.)

- County Supervisor
- District Attorney
- County Counsel

- County Treasurer
- County Chief Administrative Officer
- County Planning Commissioner
- City Council
- Mayor
- City Manager
- City Attorney
- City treasurer
- City Chief Administrative Officer
- City Planning Commissioner

Designated Employees Within a City, County or Local Agency Conflict of Interest Code

To determine who else within your city, county or local agency must file statements of economic interest, you must refer to your agency's conflict of interest code. That code, if properly developed, will list the positions within your agency which must complete the statement, as well as their filing obligations. The conflict of interest code will also set out the date that the annual statements of economic interests are due. For agencies which adopted Regulation 18730 as the model provisions of its code, that regulation provides for an April 1 filing deadline. Additionally, when you give a designated employee a Form 700 to complete, you must also give a copy of your agency's conflict of interest code. The code, not the form, determines what that designated employee must report. The majority of these statements are not sent to the FPPC.

Clerk's Corner

Filing Officer Workshop for Novice Clerks

Are you a recently appointed or elected clerk or a novice in the campaign and statement of economic interests arena? Do you drown in a pool of technical terms and phrases? Do you think you really need a basic “down-to-the-bones” workshop to help you understand the myriad of forms and procedures?

We have received a request to see if there is enough interest to hold such a workshop. The workshop would be designed specifically for novice or first time clerks, not those of you who are veterans. The workshop would define basic terms, review the history and necessity for certain forms, suggest ways to set up a filing system, and answer any specific procedural questions.

If there is enough interest, the workshop will be scheduled sometime in July. If interested, please call Emily Bowden at (916) 322-5660 and a mailing list will be established.

Thank you to Diane Reynolds from San Luis Obispo for making this suggestion and volunteering to help coordinate a site.

Question of the Month

Must a filer who assumes office at the end of 1999 file an annual statement of economic interests in 2000?

No. If a filer assumed office in October, November or December of 1999, and filed the assuming office statement of economic interests, the filer is not required to file an annual statement of economic interest until spring of 2001.

Newly Revised Campaign Forms

Approved at the January 6 Commission meeting were the following revised campaign forms and a 2000 Addendum to the campaign information manuals. All are available on the website and copies will be mailed soon.

- Form 425 — Semi-Annual Statement of No Activity
- Form 450 — Recipient Committee Campaign Statement-Short Form
- Form 460 A-1 — Attachment Schedule A-1 (Special Election Form)
- Form 465 — Supplemental Independent Expenditure Report
- Form 470 — Candidate/Officeholder Campaign Statement-Short Form and
- Form 470 Supplement
- Form 495 — Supplemental Pre-Election Campaign Statement

- 2000 Addendum to 1995/96 Campaign Disclosure Information Manuals A-E

The forms were revised to make them consistent with changes made to the other campaign forms during 1999, including the addition of an “amendment” box, assistant treasurer identification and signature, and correcting form references from the old Forms 419/420/490 to the new consolidated Form 460. The Forms 425 and 470 also needed “Y2K” updates.

New and revised forms sent to you during 1999 include the Forms 410, 460, 461, 496, 497, 498, 501, and 502. If you have not received the forms, you can order them by calling (916) 322-5660, press 1, or you can print them from our website.

Form 700 Certification for Incumbents

The FPPC has approved a simpler filing requirement for incumbent officeholders running for election on March 7 or April 11, 2000. An officeholder may file a one-page certification in lieu of the Form 700 annual statement if the candidate statement contains all the required information for the 1999 annual statement. The disclosure requirements for candidate and annual statements are different. If the candidate statement is missing information required on the annual statement, the officeholder must complete and attach the required schedules to the certification. Please provide both the Form 700 and the Form 700 Certification to your officeholders seeking election on March 7 or April 11, 2000.

State Agency Filing Officers! Annual Statements of Economic Interests Due April 1, 2000

It is time for you to secure a copy of your agency's conflict of interest code and distribute it, along with the Form 700, Statement of Economic Interests to all persons holding designated positions in your agency's conflict of interest code. These annual statements are due to be filed with you by April 1, 2000. (April 1 is a Saturday. When a deadline falls on a Saturday, Sunday or state holiday, the deadline extends to the next business day - April 3, 2000.) Your conflict of interest code should be retained by your agency's legal division, or personnel department. If you are unable to locate a copy of the code, call the Commission's Technical Assistance Division.

Availability of Form 700

If you have not already received the 1999-2000 Statement of Economic Interests, Form 700, please let us know. The updated form was scheduled to be approved by the Commission at its meeting on December 3. Unfortunately, the meeting had to be postponed. The form was approved on January 6, and we began mailing on January 10. The 1999/2000 form is available in the Forms & Manuals section of our website.

Proposition 208 Status

On August 13, 1999, the parties to the Proposition 208 litigation returned to the Federal District Court for a status conference, following remand of the case from the Ninth Circuit Court of Appeals. The appellate court directed the district court to conduct further evidentiary hearings, and to issue a final judgment on all challenged provisions. The preliminary injunction issued by the district court in 1998 was not based on findings as to all of the provisions under attack.

The injunction is expected to remain in effect until the district court proceedings are completed and the matter returns to the Ninth Circuit for final disposition. At a status conference before the district court on November 10, the parties were directed to submit their witness lists and to prepare for a substantial further trial, expected to take place in the late summer or fall of the year 2000.

Advice Summaries

Formal written advice does not constitute an opinion of the commission nor a declaration of policy by the Commission. Formal written advice is the application of the law to a particular set of facts provided by the requestor. While this advice may provide guidance to others, the immunity provided is limited to the requestor and to the specific facts contained in the formal written advice.

Informal assistance is also provided to persons whose duties under the act are in question. In general, informal assistance, rather than formal written advice is provided when the requestor has questions concerning his or her duties, but no specific government decision is pending.

Formal advice is identified by the file number beginning with an “A,” while informal assistance is identified by the letter “I.” (See section 83114 and regulation 18329 for more information.)

Campaign

Barbara Aguire
Fresno

Dated October 13, 1999
Our File Number: A-99-219

A candidate may lease a portion of a building for his or her campaign headquarters, so long as the lessee is the candidate’s committee, not the candidate.

Andy Caldwell
COLAB

Dated November 19, 1999
Our File Number: A-99-252

A nonprofit organization may hold a joint fundraiser with a political action committee. Reporting requirements for committees are discussed.

George “Cee Jay” Jenkins
Corona

Dated October 6, 1999
Our File Number: A-99-253

The funds paid by a candidate’s homeowner’s insurance policy for theft of campaign signs do not become the personal funds of the candidate. The funds represent a reimbursement to the campaign committee for its losses, and are subject to the surplus funds rule in Government Code Section 89519.

John A. Miller
California Union of
Safety Employees

Dated November 4, 1999
Our File Number: A-99-254

Where a sponsoring organization has established two bona fide PACs, and each member has “earmarked” contributions of less than \$100 per year to each committee, itemization of the individual contributor on the committees’ campaign statements is not required.

Armando Gomez
City and County
of San Francisco

Dated September 27, 1999
Our File Number: I-99-259

A committee may file a retroactive termination statement provided the termination criteria have been met. It is also permissible for a committee to file one campaign statement for each preceding calendar year in which statements were not filed. For the current calendar year, a statement must be filed for each applicable reporting period.

Campaign (continued)

**Colleen McAndrews
Howard Jarvis
Taxpayers Association
Dated November 17, 1999
Our File Number: A-99-267**

A sponsored committee's use of a sponsor's nonprofit postal permit is not a contribution from the sponsor to the committee. The sponsored committee could obtain the same permit at no cost. This letter supersedes the *Wewer* Advice Letter, No. I-91-531, in its entirety.

**Robert E. Leidigh
Olson, Hagel, Leidigh,
Waters & Fishburn
Dated November 12, 1999
Our File Number: A-99-272**

This letter analyzes circumstances in which payments in support of litigation are not contributions, expenditures or independent expenditures under the Act. Section 85320 is addressed in this context.

**Dan Ringer-Barwick
California Labor Federation,
AFL-CIO
Dated November 24, 1999
Our File Number: A-99-285**

The Federations's general purpose committee must disclose the same information on its electronic filings as is required for paper filings under the Act. The sponsor and intermediate units must be disclosed as intermediaries for contributions transmitted to the committee.

**James F. Sweeney
Roman Catholic Church
Dated December 13, 1999
Our File Number: A-99-290**

The church may include campaign materials within copies of its regularly published, limited circulation newsletter. The church will make neither a contribution nor an expenditure so long as it does not make a "payment" in this process, such as labor costs incurred in inserting the campaign materials into the newsletter.

Conflicts of Interest

**Craig J. Cannizzo
Oak Valley Hospital District
Dated October 15, 1999
Our File Number: A-99-212**

The chief executive officer of a hospital district organized under the provisions of the Health and Safety Code is a "consultant" subject to the Act's conflict of interest provisions. The letter gives general advice on possible conflicts of interest concerning the chief executive officer's participation in budget decisions.

**Eleanore Hahn
City of Belmont
Dated October 1, 1999
Our File Number: A-99-239**

This letter analyzes conflicts of interest issues in decisions about a lawsuit against a homeowners' association where the decisionmaker sold her former personal residence to a present member of the association.

**Stephen Miller
County of San Bernardino
Dated September 30, 1999
Our File Number: A-99-240**

This letter discusses reporting and disclosure obligations of a public official in the context of a "bona fide dating relationship."

Advice Summaries

Conflict of Interest (continued)

Gail Hutton
City of Huntington Beach
Dated October 6, 1999
Our File Number: A-99-245

Where a governmental decision is about amending a redevelopment plan, and a public official's personal residence is located in one sub-area of a project area, the personal residence is directly involved even if the decision relates to another sub-area.

Wallace H. Whittier
Town of Yountville
Dated November 9, 1999
Our File Number: A-99-256

A councilmember has a conflict of interest in a decision to update the housing element of a general plan since the use of his underdeveloped parcel will be directly addressed in the decision.

Wallace H. Whittier
Town of Yountville
Dated November 24, 1999
Our File Number: A-99-257

It is not reasonably foreseeable that a decision to update the housing element of a general plan will have a material financial effect on a business near a parcel that is the subject of the decision if the city does not contemplate developing the property at the time of the decision.

Travis Pitts
California Building
Standards Commission
Dated October 13, 1999
Our File Number: I-99-261

A commissioner provides professional services to a nonprofit organization that publishes model codes. The official may not participate in the decision to select a model code to be used as a basis for a set of building standards.

Pedro M. Sanchez
City of Suisun City
Dated October 8, 1999
Our File Number: I-99-266

The Act does not prohibit a public official from holding two offices simultaneously. Unless the official's personal finances are otherwise affected by a decision, the salary received as a public official is not a disqualifying economic interest. It was advised that the requestor contact the Attorney General's Office.

Chris Van Hook
Crescent City Harbor District
Dated December 22, 1999
Our File Number: A-99-268

A commissioner may participate in an annexation decision because the decision will not have a reasonably foreseeable financial effect on his property or business interests.

Dale E. Bacigalupi
City of Lemoore
Dated November 12, 1999
Our File Number: A-99-273

A public official may participate in discussions and decisions concerning an undeveloped lot which is approximately 700 feet from his property unless it is reasonably foreseeable that the decision will affect the fair market value of his real property by \$10,000, or the rental value of his property by \$1,000 or more in a 12-month period, or it will affect his tenants, who are sources of income to him.

Conflict of Interest (continued)

Burnham E. Matthews
Alameda Police Department
Dated November 24, 1999
Our File Number: A-99-276

A volunteer position on a nonprofit organization's board of directors does not create a conflict of interest in a decision to approve a contract with the nonprofit organization.

Mehdi Madjd-Sadjadi
County of Marin
Dated December 3, 1999
Our File Number: A-99-287

Under the Act, a son-in-law's income does not constitute an economic interest attributable to the elected official. Absent some other disqualifying interest, an elected official may participate in governmental decisions regarding county construction contracts where the employer of his or her son-in-law is one of the bidders.

Craig K. Martin
Private Industry Council
of San Francisco
Dated December 10, 1999
Our File Number: A-99-289

Under the *Siegel* test, the Work Investment Board of San Francisco is a local governmental agency and therefore is required to adopt a conflict of interest code. The members of the board are public officials subject to the Act's conflict of interest provisions.

Conflict of Interest Code

John L. Loomis
County of Shasta
Dated December 16, 1999
Our File Number: A-99-295

Members of a new advisory committee are not currently public officials under the Act. However, if over an extended period of time, the recommendations of the committee are regularly approved without significant amendment or modification, the members will become public officials under the Act.

Gift Limits

Gloria K. Perlas
California State Assembly
Dated October 27, 1999
Our File Number: A-99-198

As a general rule, wedding gifts are not considered to be prohibited or limited gifts for purposes of the Act. However, they are reportable on the official's statement of economic interests.

R. Thomas Harris
County of Ventura
Dated November 29, 1999
Our File Number: A-99-260

A public official may not accept payment of travel and accommodations in Kona, Hawaii, paid by a private hospital on whose board the public official sits, if the payment is a "gift." But if the public official can establish value of his services to the hospital, and that value exceeds the payment, that payment may be "income," and the public official may accept it as such.

Advice Summaries

Gift Limits

(continued)

Arthur C. Simonian
City of Yorba Linda
Dated December 8, 1999
Our File Number: A-99-299

The gift limits and reporting requirements apply to a city manager who is on indefinite administrative leave.

Lobbying

Lou Cordia
The Cordia Companies
Dated November 3, 1999
Our File Number: A-99-235

In most circumstances, the Act does not prohibit a lobbyist from receiving a contingency fee for successfully representing a client in obtaining a contract from a state agency.

Honoraria

Gerald F. Uelman
Santa Clara University
Dated November 24, 1999
Our File Number: A-99-281

The honoraria ban does not apply to speeches and articles provided in connection with the practice of teaching law. When the Commission is not the code reviewing body for an agency's conflict of interest code, it is only empowered to offer general advice and technical assistance to the agency preparing the code. The Act sets forth procedures that allow an agency employee to seek review of the agency's code.

Sanford Kahn
Long Beach
Dated December 21, 1999
Our File Number: A-99-296

A candidate for the State Assembly is not prohibited by the honorarium ban from continuing in his longstanding business as a seminar leader. Compensation for his instructional presentations is earned income, not honoraria. The compensation is received by a bona fide business provided that regulatory recordkeeping criteria are met.

Mass Mail

Erin Garvey
Lieutenant Governor's Office
Dated September 21, 1999
Our File Number: A-99-250

The distribution of a "Contract to Fight Breast Cancer" will not violate the mass mailing restrictions because none of the costs of distribution will be paid for with public moneys, and less than \$50 in public moneys was used to design and produce the documents.

Honorable Cruz M. Bustamante
Lieutenant Governor
Dated November 10, 1999
Our File Number: A-99-265

A public official may not send more than 200 substantially similar "nice to see you/meet you" letters in a single calendar month unless an exception to the mass mailing prohibition applies. Whether a letter is substantially similar to another letter is a question of fact.

Statements of Economic Interests

John Moores
Regent of the
University of California
Dated October 28, 1999
Our File Number: A-99-264

A public official must disclose his pro rata share of income to a company in which he has an investment interest of 10 percent or greater. He must also disclose the names of clients to the company if his pro rata share of income from those clients meets or exceeds \$10,000 during the reporting period. The fact that his non-dependent children are the beneficiaries of a trust which holds shares in the company does not mean that their shares are totaled with his when calculating his investment interest. If the company is recalcitrant in providing their client list to the official, the official must document his efforts to obtain the information and attach the documentation to his filing. This is considered to be “reasonable diligence.”

Revolving Door

Ted W. Dutton
Office of Public
School Construction
Dated December 2, 1999
Our File Number: A-99-274

The Act’s one-year ban prohibiting specified state officials from lobbying his or her former agency does not restrict the official from assisting school districts in understanding new regulations. The permanent ban would not apply as long as the work would not involve an application that was processed while the official was in state service.